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### AUDIT REPORT - DEPARTMENT OF INSPECTIONS AND APPEALS (DIA)

**Audit Report.** The Office of the Auditor of State has issued a report on the Department of Inspections and Appeals (DIA) for FY 2015.

**Findings Related to the State's Single Audit.** The single audit report included a finding of deficiency in the statewide average interval between standard surveys of licensure agreements of individual nursing facilities. The report found that the average statewide interval between standard surveys conducted by the Department was 13.6 months, which is greater than the time period of no more than 12.9 months required by the Centers for Medicare and Medicaid Services (CMS). The deficiency in the average statewide interval occurred as a result of employment vacancies for the surveyor. The Auditor recommends that the Department review its procedures to ensure that each facility is surveyed within the required timeline interval.

The Department provided a response to the Auditor stating that it has taken the following actions in order to achieve the required average statewide interval between standard surveys: reclassifying job positions; hiring survey staff; and hiring for individual surveys on a temporary, contractual basis to fill ongoing needs and vacancies. According to the Department, the average statewide interval between surveys has now decreased to 12.4 months as a result of these measures. The responses were accepted by the Auditor.

**Findings Related to Internal Control.** The audit report included two findings related to internal control:

- **Receipts:** The Auditor noted that although the Department records receipts in the Integrated Information for Iowa (I/3) system, reconciliations of such records were not reviewed by a person independent of the Department. The Auditor recommended that this practice be applied to future initial I/3 listings, and the Department concurred. The Department's response was accepted by the auditors.
- **Contract Attorney Claims:** The State Public Defender coordinates the provision of legal representation to some indigent persons through private contract attorneys. Contract attorneys must submit written claims for fees and travel expenses to the State Public Defender's Office for review, approval, and payment. The Auditor noted that the State Public Defender's Office had not implemented procedures to determine whether the number of hours reported by court-appointed attorneys was appropriate or whether trips to the same destination on the same day were reported multiple times. The Auditor recommended that the State Public Defender's Office review individual claims and implement procedures to ensure the propriety of the number of hours and trips reported. The Office responded by implementing an online claims submission system designed to cross-check claims. The Office's response was accepted by the Auditor.

**Findings Related to Statutory Requirements and Other Matters.** The audit report made the finding that the Targeted Small Business (TSB) procurement goal for the State Public Defender's Office was not set at a level exceeding the FY 2014 actual TSB spending, as required by [Iowa Code section 73.16](#). The Auditor recommended that the Office establish a procurement goal as required. The Office noted that the FY 2015 procurement goal was reported by DIA administrative staff without the Office's prior knowledge or approval. The Office responded by changing the administrative process to ensure prior approval in the future. The Office's response was accepted by the Auditor.

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